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106TH CONGRESS  
1ST SESSION

# H. R. 1375

To amend title XVIII of the Social Security Act to reduce the maximum financial risk permitted for physicians participating in Medicare+Choice plans and encourage payment for quality.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 12, 1999

Mr. STARK introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend title XVIII of the Social Security Act to reduce the maximum financial risk permitted for physicians participating in Medicare+Choice plans and encourage payment for quality.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. REDUCING THE MAXIMUM FINANCIAL RISK**  
4 **FOR PHYSICIANS PARTICIPATING IN**  
5 **MEDICARE+CHOICE PLANS.**

6 Section 1852(j)(4)(A) of the Social Security Act (42  
7 U.S.C. 1395w-22(j)(4)(A)) is amended—

1           (1) by redesignating clause (iii) as clause (iv);  
2           and

3           (2) by inserting after clause (ii) the following  
4           new clauses:

5                       “(iii) The organization does not oper-  
6                       ate the plan in a manner that places a  
7                       physician or physician group at a financial  
8                       risk that exceeds 20 percent as of January  
9                       1, 2001, 15 percent as of January 1, 2002,  
10                      and 10 percent as of January 1, 2003, of  
11                      potential payments.

12                     “(iv) Potential payments mean the  
13                     maximum payments possible to physicians  
14                     or physician groups including payments for  
15                     services they furnish directly, and addi-  
16                     tional payments based on use and costs of  
17                     referral services, such as withholds, bo-  
18                     nuses, capitation, or any other compensa-  
19                     tion to the physician or physician group.

20                     “(v) Potential payments do not in-  
21                     clude bonuses and other compensation that  
22                     are based on the quality of care furnished,  
23                     improved outcomes, preventive care rates,

- 1 patient satisfaction or committee participa-  
2 tion.”

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